

Ogden Air Logistics Center



MANL Transformation Program

Industry Day

15-16 June 2004

Maj Chris Wegner

OO-ALC/MA-T

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Agenda

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15 June

- **0815 - Opening Address**
- **0825 - Program Overview**
- **0900 - Bus to B-507 for Facility Tour**
- **1130 - Break for Lunch**
- **1300 - Reconvene**
 - **Review Acquisition Strategy**
 - **Q&A**

16 June

- **One-on-One Sessions according to schedule**
 - **Conducted in MA Conference Room, B-849**

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Opening Address



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Brigadier General Robert McMahon
Ogden ALC Director of Maintenance

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Our Vision

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***America's Best
Maintenance, Repair, and
Overhaul
Operation***

First Class or No Class

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Our Focus



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- **Quality product**
- **On time**
- **At cost**

First Class or No

Class
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Key Enablers

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- **Educated/trained workforce**
- **Adequate tools and resources**
- **Efficient factory**
- **Effective business practices**
- **Success-oriented culture**

First Class or No Class

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Overview

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- **Background**
- **OO-ALC MRO Mission**
- **IPT Members**
- **Performance Objectives**
- **Program Emphasis**
- **Technical Requirements**
- **Facility Tour**
- **Acquisition Strategy**
- **Contract Specifics**
- **Summary**

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Definitions/Acronyms

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Lean

- Processes & Methods to Eliminate Non-value Activities & Waste Along Value Stream

Cellular Manufacturing

- Process & Method to Design Production Systems Integrating People, Machines, and Control – Binding Together Within Cells
- Reduces Costs, Material Scrap, Manpower Requirements, Lead Times, Rework, Flow Times, & Optimizes Use of Floor Space

Acronyms

- SBU – Strategic Business Unit
- MRO – Maintenance, Repair, & Overhaul
- MTP – Master Transformation Plan

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Background

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- **FY03 SAF/IE&L Recognized Need to Recapitalize ALCs**
 - **Directed AF to provide \$150M annually to AFMC for Transformation**
- **Summer 2003 OO-ALC/MANL Completed a Transformation Master Plan/Lean Study**
 - **Provided Proof of Concept for initiating industry best practices**
 - **Initial Emphasis on Landing Gear and Wheels & Brakes**

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OO-ALC/MANL MRO Activity



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- **Current/Planned Weapon Systems**
 - **C-5, B-1, B-2, KC-135, B-52, C-130, F-16, F-15, F-4, T-38, A-10**
- **Current Workload**
 - **Landing Gear Struts**
 - **Wheels & Brakes**
 - **Light Manufacturing**
- **Future Weapon Systems/Workload**
 - **C-17, F-35, F-22, HVOF, Others**

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The Facility Transformation

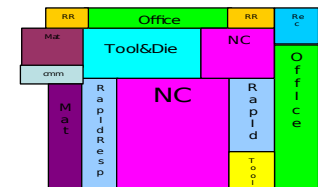
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“As is”
Process
Centered:

Parts travel to
each process
area

505

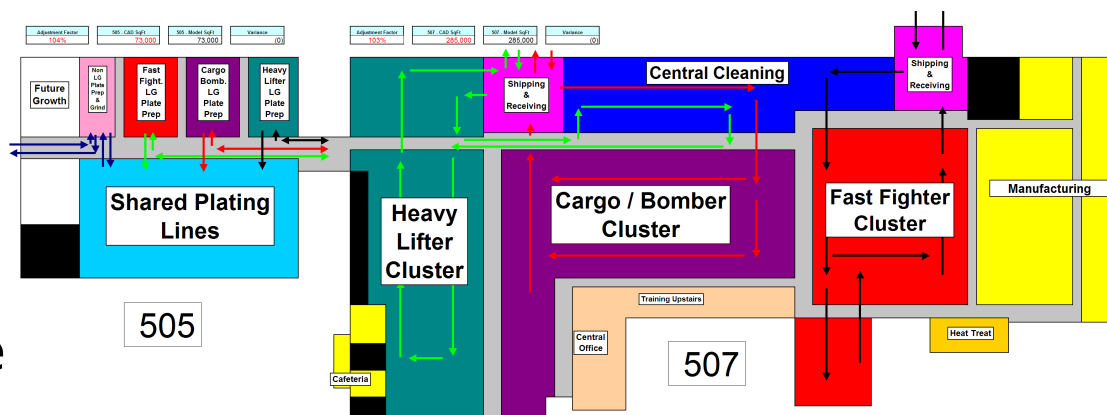
507



510

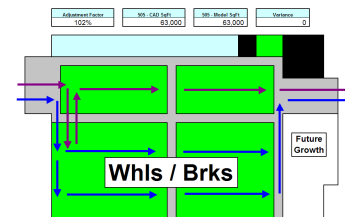
“To be”
Product
Centered:

All required
processes are
in the SBU



505

507



510

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MANL Transformational Program



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TER

Transformational Mission Statement

“ convert MANL into the world’s best cellular repair facility of landing gear, wheels/brakes and manufacturing.....”

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MANL Transformation Dedicated IPT Members



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■ MA-T

- Maj Chris Wegner - Chief, Maint. Transformation
- Rulon Walker - Program Engineer
- Kayla Marshall - Program PCO
- *TBD* - Program Manager
- A&AS
 - Team Synergy*
 - Synergy, Inc.
 - Dymond Associates
 - Mercer Engineering Research Center
 - DRC (Administrative Support)

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Performance Objectives



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Transform OO-ALC into a world-class MRO facility, using *lean/cellular* methodologies to:

- **Reduce flow days, parts inventory, operational costs, and work in progress**
- **Improve war readiness levels, employee morale and efficiency, workload productivity, and quality**
- **Increase Operational Capability**

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Program Emphasis



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- **Maintain current production capacity while implementing transformation**
- **Design and Implementation conducted in joint government-contractor IPT structure**
- **Adhere to 30-month completion schedule**
- **Integration with ongoing efforts within the facility**

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Technical Requirements

Mr. Rulon Walker



TRD Requirements



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- **Program Management**
 - **Administrative, management, technical and financial support**
- **General Requirements**
 - **Training**
 - **Total Preventative Maintenance**
 - **Equipment**
 - **Lean Cell Design and Development**
 - **SBU Cell Construction**
 - **Lean Cell Evaluation and Sustainment**

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TRD Requirements (Cont'd)



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- **General Engineering Studies**
 - **Customer Assessment Studies**
 - **Workspace Environmental**
 - **Power**
 - **Lateral Lines and Internal Drain Piping**
 - **Environmental (Hazardous)**
 - **Equipment**
 - **Title V Permits**
- **General Facilities Requirements**
 - **HVAC**
 - **Power**
 - **Lines and Drains**
 - **Environmental**
 - **Machine Placement**

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TRD Requirements (Cont'd)



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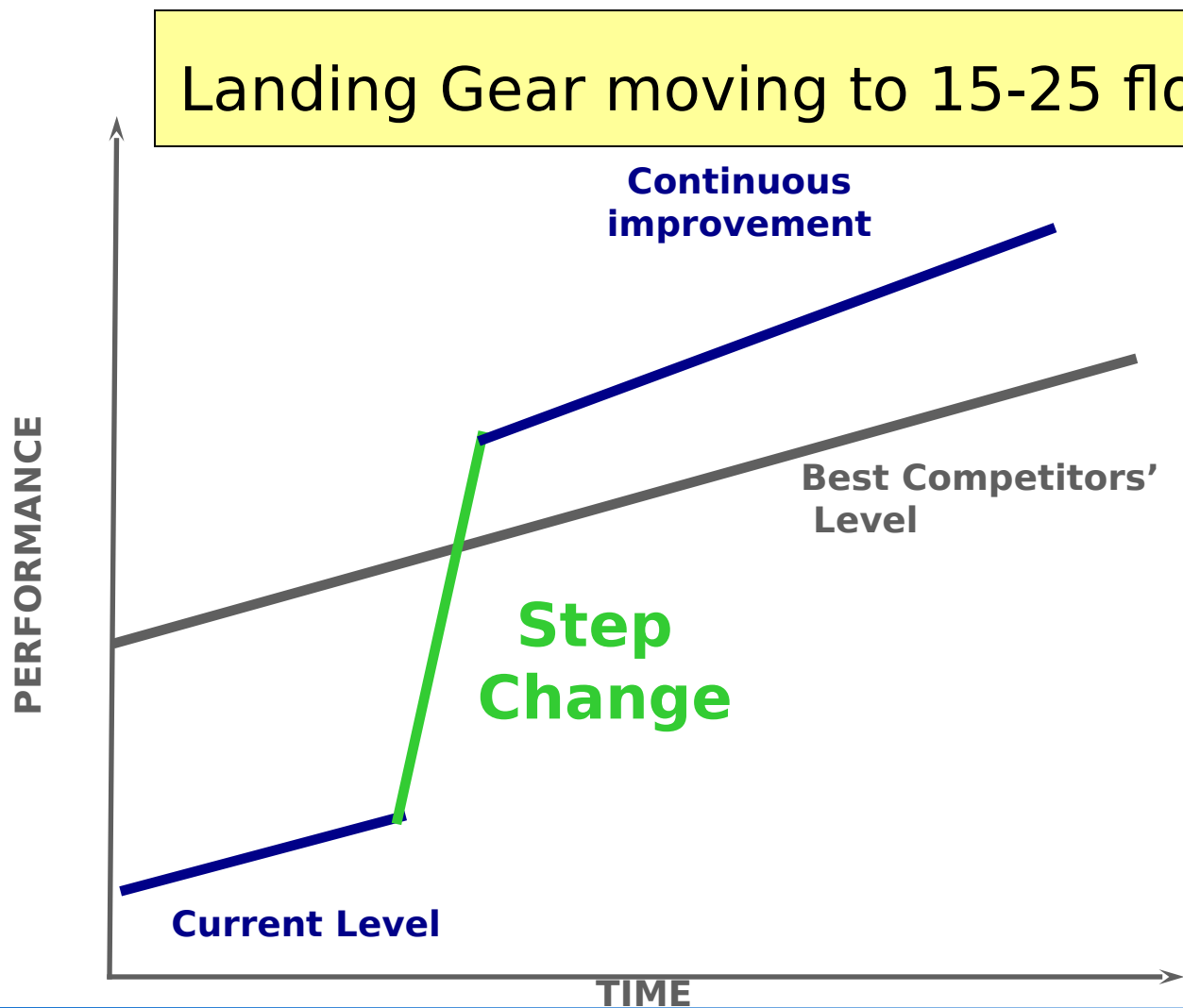
- **SBU Requirements**
 - **Wheels & Brakes**
 - **Fighters**
 - **Cargo**
 - **Heavy Lifters**
 - **Plating and Light Manufacturing**

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"Step Change"

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Facility Tour Procedures



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- Bus from bldg 1289 to bldg 507 at 0900
- Gather in the Lobby of bldg 507 for a brief intro from MANL personnel
- We will tour bldgs 507, 505, 510, and 511
- Each stop will include an explanation of that area then it will be opened for questions before moving to the next area
- After the tour, meet at the bus to go back to 1289
- Any general questions not answered during the tour can be jotted down to be answered in the afternoon Q&A session in 1289

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Acquisition Strategy

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Acquisition Approach



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- **Median Source Selection IAW AFFARS 5315.300(3)**
- **Full/Open Competition**
- **Site Visits - Validate Technical Success**
- **Selection of One Contractor**
 - **Provides Total Integrated Solution**

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Evaluation Criteria



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- **Mission Capability***
 - **Program Management****
 - **Technical Capability****
 - **Technical Approach****
 - **Small Business****
- **Past Performance***
- **Proposal Risk**
- **Cost/Price**

*Of equal importance. When combined, they are significantly more important than Cost/Price

**Subfactors are in descending order of importance

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Contract Specifics

Ms. Kayla Marshall



Contract Type

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■ Indefinite Delivery/Indefinite Quantity (ID/IQ)

■ Contract length

- Ordering period - 3 year basic, + 2 one-year options
- Desired completion - 30 months

■ Contract dollar limits

- Maximum - \$37.5M Ceiling
 - Based on Independent Cost Estimate
- Minimum Guarantee -
 - Equipment Evaluation Study and
 - Two months of Program Management effort

■ Pricing Structure

- FFP, CPFF, T&M, CRNF, and Incentive Arrangement (TBD)

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CLIN Structure

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- **Program Management includes:**
 - **Administrative, management, technical and financial support**
 - **Activities:**
 - **Develop/maintain IMP/IMS**
 - **Coordinate/schedule with base support organizations (EM, CE, etc.) and State and Local authorities**
 - **Develop/manage IPTs**
 - **Exercise/manage Associate Contractor Agreements**
 - **Monitor cell/strategic business unit performance**
 - **Host/conduct quarterly PMRs and weekly TIMs**
 - **Firm Fixed Price (FFP)**

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CLIN Structure (Cont'd)



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- **Strategic Business Unit (SBU) Design includes:**
 - **All support necessary to accomplish an overarching design at the SBU level**
 - **Activities:**
 - Detailed drawings/specifications
 - Implementation schedules
 - Cost estimates
 - Cell layout impact assessments
 - Facility-wide implementation assessments
 - **FFP/CPFF/T&M**

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CLIN Structure (Cont'd)



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- **Cell Design includes:**
 - **All support necessary to accomplish a detailed cell design**
 - **Activities:**
 - Detailed drawings/specifications
 - Implementation schedule
 - Cost Proposal for cell implementation
 - Identification of workforce structure and training requirements
 - Equipment replacement/refurbishment (LCC) design
 - Obtain Title V operating permits
 - Legacy and Technical data development/interface
 - **FFP/CPFF/T&M**

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CLIN Structure (Cont'd)



- **Cell Implementation includes:**
 - **All support necessary to accomplish cell implementation**
 - **Activities:**
 - **Swing space preparation**
 - **Equipment - repair/refurbish and installation**
 - **SBU-specific structural repairs/alterations**
 - **Shop floor rearrangement to accommodate new processes**
 - **Accomplish workforce training**
 - **FFP/CPFF/T&M**



CLIN Structure (Cont'd)

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- **Facility Repair includes:**
 - **All support necessary to accomplish facility repair as identified during SBU and/or Cell design**
 - **Activities:**
 - Implementation schedule and cost estimates
 - Coordination with affected organizations
 - Demolition and repair
 - Pouring of concrete equipment pads
 - Air, water, electrical and mechanical installation and line runs
 - **FFP**
- **Equipment Purchase includes:**
 - **Actual cost paid for equipment purchase**
 - **CRNF**

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CLIN Structure (Cont'd)



■ General Engineering Studies include:

- All support necessary to accomplish the specific study identified on the individual task order
- Activities:
 - Workspace environment
 - Power requirements
 - Lateral lines/Internal drain piping integrity
 - Environmental / Hazardous material (HAZMAT)
 - Customer assessment
 - Other studies, as identified
- FFP



CLIN Structure (Cont'd)



■ Training includes:

- **Management Training**
 - Cultural Change / Lean Indoctrination
- **Additional Workforce Training beyond initial cell implementation**
- **FFP/CPFF/T&M**

■ Over and Above includes:

- **Such efforts as differing site conditions**
- **Potential for overarching design review**
- **To be negotiated prior to issuing order**
- **FFP/CPFF/T&M**



CLIN Structure (Cont'd)



■ Travel includes:

- All travel and per diem necessary to support the contractual scope of the effort
- CRNF

■ Data includes:

- All data requirements as specified on individual task orders IAW the DD Form 1423s
- NSP



Pricing Matrix

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- **Develop Total Evaluated Price**
 - **30 Months of FFP Program Management**
 - **FFP for Equipment Evaluation Study**
 - **Notional Price for Cell Design (23 ea)**
 - Utilize offeror proposed hours and FFP rates
 - **Notional Price for Cell Implementation (23 ea)**
 - Utilize government provided hours and offeror FFP rates
 - **Notional Price for General Engineering Studies (5 ea)**
 - Utilize government provided hours and offeror FFP rates
- **Provide FFP, CPFF, T&M labor rates**
- **Provide labor categories applicable to the Service Contract Act and associated rates**

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Incentives

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- **Considering share-in-savings type of arrangement**
- **Contractor Performance Assessment Reporting System (CPARS)**
- **Small Business Participation**
- **Award Fee**
 - **Difficulty in identifying metrics completely within the contractor's control**
 - **Applicability for current program dollar value**
 - **Intensive post-award administration not value-added**

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Special Contract Provisions



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- **Enhanced Small Business Participation**
- **Associate Contractor Agreements**
- **Equipment Beyond Economical Repair**
- **Technical and Management Meetings**
- **Payment for Travel Costs**
- **Special Ordering Provisions**
- **Incentives/Share-in-Savings**
- **Performance Assessment Plan**
- **Use of Non-Government Advisors**

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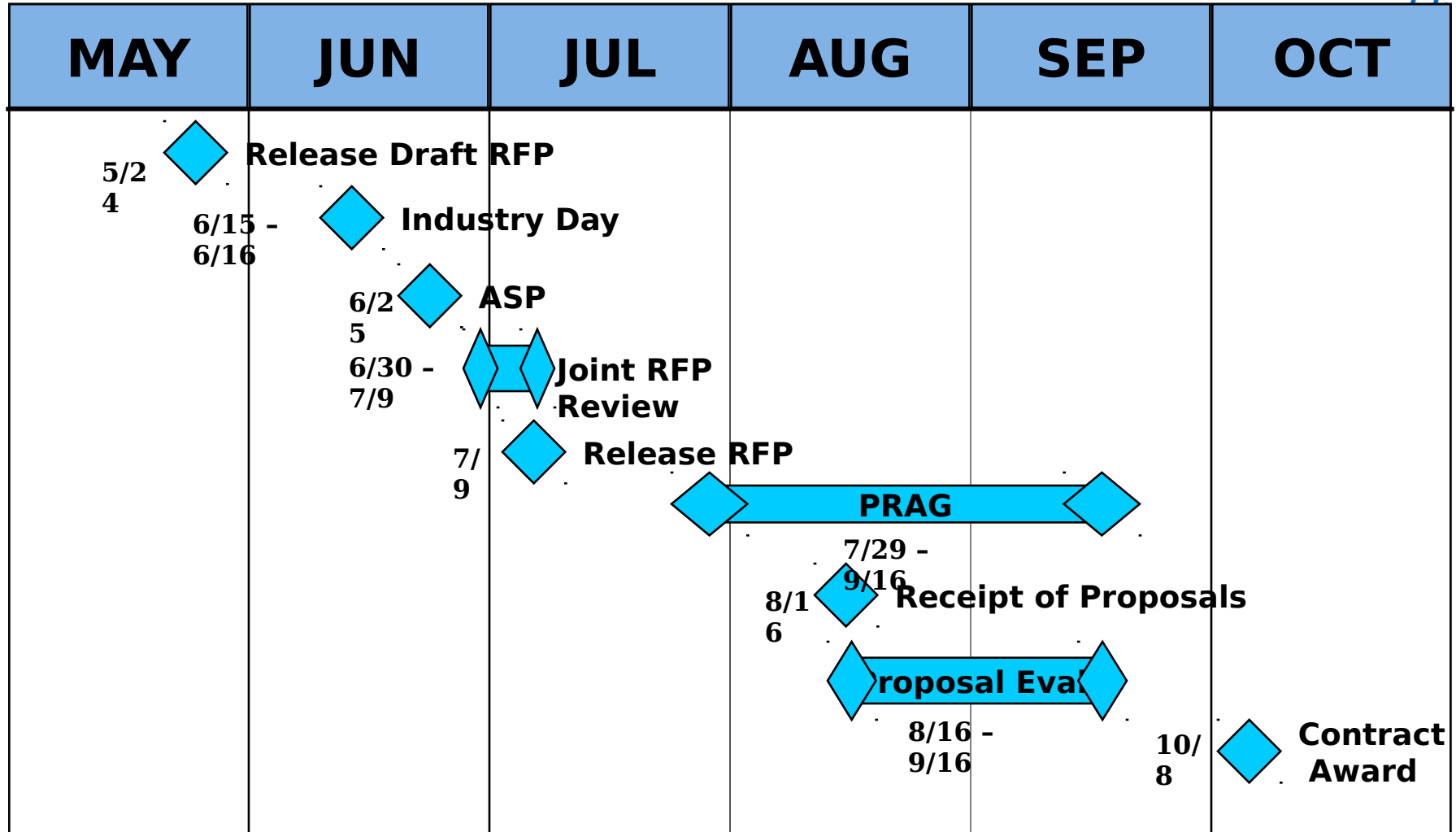
Schedule/Wrap-Up

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Milestone Schedule

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Summary

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- **Acquisition Strategy Transforms OO-ALC/MANL MRO into world-class operation**
 - **Significant payback**
 - **Manageable 30-month effort**
 - **Improved/affordable warfighter support**
- **Aggressive/Reasonable Implementation Schedule**

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